

Media Release

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Shrinking gas networks will drive up energy bills without urgent national electrification plan, new report shows

NOTE: Broadcast clips and images of Energy Consumers Australia General Manager, Advocacy and Policy Brian Spak are available by [clicking here](#).

A new report from Energy Consumers Australia (ECA) is calling on governments to make all new homes and small commercial buildings all-electric.

[Power Move: Fair and Affordable Electrification for Australian Households and Small Businesses](#), released today by ECA, is also calling for a National Electrification Roadmap, including a requirement for landlords to replace all gas appliances when they reach end of life with efficient, electric alternatives. It calls on governments to set ambitious targets to ensure electrification of all new household and small commercial buildings by 2028, all existing social and community housing by 2035, all rental homes by 2040 and all homes by 2050.

Modelling in the report shows millions of Australia's households and small businesses unable to leave the gas network will face soaring bills, highlighting the need for governments to urgently drive a national electrification plan.

"The sooner households and businesses start to go all-electric, the easier it will be," Brian Spak, ECA General Manager, Advocacy and Policy, said. "By starting now, people can replace their gas appliances when they reach end of life with electric alternatives."

"If we wait much longer – or if we fail to help the most vulnerable households get off the gas network – the cost and difficulty will increase significantly. While the Middle East crisis has intensified the focus on global gas prices, this report identifies a pressing, long-term risk for the households and small businesses remaining on gas networks."

"Every recent independent study – including the Commonwealth's Future Gas Strategy – indicates that there's unlikely to be much, if any, gas delivered to small consumers via the network in 2050. The transition off gas has countless benefits. All-electric homes and businesses will have cheaper and more predictable energy bills and be healthier places to live and work."

"But going all electric comes with a catch: those consumers who are unable to or choose not to leave the gas network face soaring bills as networks seek to recover costs from a shrinking customer base. Those facing the greatest barriers to electrification – including renters, apartment dwellers, and low-income consumers – will be hit hardest."

The report includes modelling which shows that, without intervention, the network component of household gas bills could more than quadruple by 2050, and total bill costs will escalate dramatically. A typical household gas consumer in South Australia, for example, faces a 64% increase in their total gas bill in a decade's time and a 265% increase by 2050.




The report recommends governments actively plan a fair and orderly exit from gas for households and small businesses. Other recommendations include how Federal and state and territory governments can set a clear direction for consumer electrification, lower the cost of electrification and strategically decommission the gas network.

"Market bodies have reached the limits of their powers," Mr Spak said. "We need governments to urgently create an equitable exit from gas for households and small businesses and plan for how the costs of the transition will be managed fairly for all consumers."

"Federal and state governments can ensure that the most vulnerable consumers are protected and that our economy thrives from the transition off gas by urgently working together on a national roadmap for household and small business electrification."

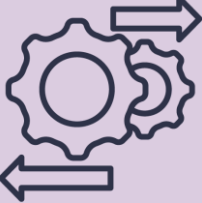


[Click here to read the Power Move report.](#)

Power Move's key recommendations – at a glance:

Fair and affordable electrification		
	<p>1. Establish national targets and a clear direction on household and small business electrification</p>	<p>The Australian Government should:</p> <ul style="list-style-type: none"> • Set ambitious electrification targets that aim to ensure electrification of all new households and commercial buildings by 2028, all existing social and community housing by 2035, all rental homes by 2040 and all homes by 2050, if not sooner. • Develop a National Electrification Roadmap that sets out a plan for achieving targets collaboratively across all jurisdictions. <p>State and territory governments should:</p> <ul style="list-style-type: none"> • Develop or align jurisdiction-based targets and plans to ensure they are at least as ambitious as those set out in the National Electrification Roadmap. <p>The Australian Government and state and territory governments should regularly report against the targets and plan publicly. The Energy and Climate Change Ministerial Council should coordinate nation-wide action to meet these targets.</p>
	<p>2. Support consumer decision making on electrification</p>	<p>The Australian Government and state and territory governments should take action to signal electrification to consumers at key decision points:</p> <ul style="list-style-type: none"> • Mandate that landlords install efficient electric appliances when a gas appliance fails in rentals. • Introduce clear labelling of the bill and emissions impacts of gas appliances at point of sale. • Remove or prohibit rebates, incentives or subsidies to purchase new gas appliances where they are eligible under state-based schemes or offered by gas networks. • Mandate disclosure of energy performance ratings of properties at point of lease and sale. • Reform strata legislation to support electrification in multi-unit dwellings. • Support tradespeople (electricians, plumbers) and strata and property managers to be champions of electrification.
	<p>3. Lower the cost of electrification</p>	<p>The Australian Government and state and territory governments should implement policies and review existing programs to ensure all Australians are supported with the upfront costs of electrification and energy efficiency upgrades, including to:</p> <ul style="list-style-type: none"> • Provide grants and direct finance options for low-income households or illiquid homeowners. • Expand the Social Housing Energy Performance Initiative (SHEPI) to retrofit all social and community housing to be fully electric and high performing. • Provide rebates on efficient, electric appliances. • Provide targeted support for small business electrification.

Recommendations continued on next page >>>

Future of the gas network

	4. Plan for an orderly and fair transition off the gas network	<p>State and territory governments must actively plan for the transition by:</p> <ul style="list-style-type: none">• Ensuring all new household and small commercial buildings are all-electric.• Signalling a clear end date for gas for households and small businesses.• Providing support to reduce the cost consumers face when disconnecting from the gas network. <p>The Australian Government should work with state and territory governments to develop plans for the future of gas and align them with net zero targets and a National Electrification Roadmap.</p>
	5. Plan for how the costs of the transition from gas will be funded	<p>State and territory governments must actively plan for how gas network costs will be shared fairly between consumers, networks and their investors, and taxpayers through the transition. The current approach assumes consumers will continue to fully fund the costs and risks of the transition off gas by default.</p> <p>The Australian Government should engage with state and territory governments to plan for these costs and consider initiating an independent inquiry (for example by the Productivity Commission or another appropriate body) to ensure these issues can be considered holistically at a national level.</p>
	6. Explore strategic decommissioning of the gas network	<p>State and territory governments should begin actively exploring and taking a lead role with networks in planning strategic decommissioning of sections of the gas network. This approach can reduce costs and risks for consumers and network investors alike.</p> <p>State and territory governments and the Energy and Climate Change Ministerial Council should also lead legislative amendments to remove existing barriers to strategic decommissioning.</p> <p>The Australian Government should work with state and territory governments to explore options for decommissioning and align decommissioning plans with net zero targets and a National Electrification Roadmap.</p>

For further information and media interviews, contact **Stuart Turner** on **0415 403 208** or email media@energyconsumersaustralia.com.au

About Energy Consumers Australia

[Energy Consumers Australia](https://www.energyconsumersaustralia.com.au) is the independent, national voice for residential and small business energy consumers. We enable residential and small business energy consumers to have their voices heard.